

## Internal Revenue Service

## Department of the Treasury

Washington, DC 20224

Number: **201230023**

Release Date: 7/27/2012

Index Number: 2032A.00-00, 9100.00-00

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:04

PLR-102173-12

Date:

April 16, 2012

RE:

### Legend

Decedent =

Date 1 =

Revocable Trust =

Executor =

Law Firm 1 =

Law Firm 2 =

Date 2 =

Successor Executor =

Date 3 =

Dear :

This letter responds to your authorized representative's letter of December 27, 2011, requesting an extension of time under § 301.9100 of the Procedure and Administration Regulations to elect to specially value farmland under § 2032A of the Internal Revenue Code.

The facts submitted and representations made are summarized as follows. Decedent died on Date 1. Decedent's estate included farmland. Executor hired Law Firm 1 to prepare Decedent's Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return. On Date 2, Executor timely filed Form 706, however, Executor failed to elect to specially value the farmland under § 2032A.

After Form 706 was filed, Successor Executor was appointed. Successor Executor engaged Law Firm 2 to review the Form 706. It was at that time that the failure to make the election under § 2032A was first discovered. On Date 3, Successor Executor filed a supplemental Form 706 and elected to specially value the farmland under § 2032A. Successor Executor now requests an extension of time to Date 3 to make the § 2032A election.

Section 2001 imposes a tax on the transfer of the taxable estate of every decedent who is a citizen or resident of the United States.

Section 2032A(a)(1) provides, generally, that if the decedent was (at the time of his or her death) a citizen or resident of the United States, and the executor elects the application of this section and files the agreement referred to in § 2032A(d)(2), then, for purposes of chapter 11, the value of qualified real property shall be its value for the use under which it qualifies, under § 2032A(b), as qualified real property.

Section 2032A(d)(1) provides that the election under § 2032A shall be made on the return of tax imposed by § 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such election, once made, shall be irrevocable.

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except Subtitles E, G, H, and I.

Section 301.9100-3 provides the standards used to determine whether to grant an extension of time to make an election whose due date is prescribed by a regulation (and not expressly provided by statute). Requests for relief under § 301.9100-3 will be granted when the taxpayer provides the evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant relief will not prejudice the interests of the government.

Section 301.9100-3(b)(1)(v) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional failed to make, or advise the taxpayer to make, the election.

Based on the facts submitted and the representations made, we conclude that the standards of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, an extension of time to Date 3 is granted to elect to specially value the farmland under § 2032A.

Except as expressly provided herein, no opinion is expressed or implied concerning the federal tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express or imply no opinion on whether the estate qualifies for special use valuation under § 2032A.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Lorraine E. Gardner, Senior Counsel  
Branch 4  
Office of the Associate Chief Counsel  
(Passthroughs & Special Industries)

Enclosures (2)

cc: